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July 26, 1999

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Kim L. Bright-Coleman
Associate General Counsel
Federal Election Commission
999 E Street, N.W., Room 657
Washington, DC 20463

WRITER'S E-MAIL ADDRESS
dbllm@omm.com

Re: Requested Materials Regarding US Airways, Inc.

Dear Ms. Bright-Coleman:

Thank you for meeting with Lawrence M. Nagin, US Airways' Executive Vice President, Corporate Affairs and General Counsel, Lynn Parseghian, and myself on Friday concerning the 1992 Dole/Kemp Campaign's Air Travel Card account with US Airways. As Mr. Nagin stated at the meeting, our goal is to cooperate fully with the spirit and letter of your inquiry and to provide voluntarily the information you need to address this matter and bring it to a prompt resolution. As you are aware, we asked to meet with you and Messrs. Noble and Holloway because the June 10, 1999 report of the Audit Division stated in several places that it did not have relevant information about the Campaign's account with US Airways and such information was not made available through the audit process. We appreciate the opportunity to furnish that information to you now, with the goal of providing complete and accurate information on the issues raised in the audit report and completing the record on this matter.

We thought it would be helpful to provide a brief description of each set of materials that accompanies this letter:

1. During our meeting, you requested information about the Air Travel Card program offered by US Airways and other carriers. Attached at Tab 1 are pages from the Air Travel Card program web site describing the program's basic features, and a copy of US Airways' Air Travel Card brochure and application.

2. The audit report states that "no documentation has been provided of any efforts made by US Airways, after December 4, 1996, to collect this debt." (Audit Report, p. 7; see also p. 6 ("There is no evidence in DK files that additional invoices were received from US Airways, or that other attempts were made by this vendor to collect the debt.")) As we

discussed with you at the meeting, the Dole Campaign's account was closed, at the Campaign's request, on November 22, 1996. After that date, no further credit was extended and no further travel was charged. However, US Airways continued to press the Campaign for full payment after that time. Copies of monthly invoices dated October 31, 1996 through October 7, 1998, are attached at Tab 2. (Invoices were also sent by US Airways after October 1998, as explained in the next paragraph.) I am also attaching at Tab 3 a memorandum dated August 11, 1998 from US Airways' Manager of Credit and Collections to the Dole Campaign Comptroller, Alan Haywood, demanding "decisive action to remedy the situation"

3. In late October 1998, US Airways retained O'Melveny & Myers LLP as outside counsel to pursue collection of the full amount outstanding on this account.

As I stated in our meeting, last November 1998, Mr. Gross informed us that the Campaign was insolvent and unable to pay the debt. However, Mr. Gross has indicated to us on several occasions that funds had been promised to the Campaign by the Republican National Committee ("RNC") that, when released, would be used to satisfy the debt to US Airways.

4. In addition to sending invoices, it is US Airways' general collections policy to press for payment from delinquent Air Travel Card customers.

5. The audit report also states that the auditors did not have a copy of the May 26, 1997 letter from Mr. Nicholson to Senator Dole seeking payment of the overdue amount. A copy of this letter, which we discussed and provided to you at the meeting, is attached at Tab 6.

6. The Dole Campaign was approved for the Air Travel Card in the ordinary course of business. Copies of the documentation submitted by the Campaign in its application for the Card and the letter approving the application are attached at Tab 7. The Campaign completed the standard application form, submitted the information required by US Airways, and was approved for the Card through the standard process and under the standard criteria. The Campaign was given the standard terms listed on the application form.

US Airways regularly approves organizations of similar size and risk for the Card program. As examples, we have attached copies of applications and account records of other

Card customers, including applications and other materials for "ER" rated not-for-profit and governmental entities, at Tabs 8-9.

7. A summary of US Airways' general collections policy for Card customers appears in the credit policy manual attached at Tab 10.

9. Our review of US Airways' usual and customary practices in dealing with overdue Air Travel Card accounts shows that US Airways' efforts to obtain payment from the Dole Campaign were in the ordinary course of business.

As we discussed at the meeting, the late penalty was initially assessed

With respect to this late fee, the Dole account was treated the same as other accounts. (Copies of invoices for other overdue accounts are attached at Tab 12.)

In light of Mr. Noble's request for the information that the auditors have stated was necessary for their report, we have confined this letter to factual information rather than legal analysis. As Mr. Nagin emphasized during the meeting, at this time we want to ensure that you have complete and accurate information on the issues raised in the audit report. Please feel free to contact me (or Mr. Nagin directly) if you have any questions about the enclosed information or if you would like further clarification with respect to any of the information provided.

* * *

This letter and the accompanying documents contain confidential commercial and financial information relating to US Airways' operations, collections processes, customers' names, and customers' sensitive financial information. Accordingly, US Airways requests that the entire contents of this letter and the documents attached hereto be treated as information that

is confidential and therefore exempt from disclosure to the public under the Freedom of Information Act, 5 USC § 552 (b)(4) and 11 CFR § 4.5.

Once again, we appreciate your meeting with us and are prepared to respond fully to any further questions you may have.

Sincerely,



Donald T. Bliss
of O'MELVENY & MYERS LLP

cc: Lawrence M. Nagin,
Executive Vice President, Corporate Affairs and General Counsel,
US Airways, Inc. (w/encl.)

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